

TENNESSEE REGULATORY AUTHORITY

Melvin Malone, Chairman
Lynn Greer, Director
Sara Kyle, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

April 20, 1999

TRANSMITTED VIA FAX
(202) 424-7645

Kevin Minsky
Swidler Berlin Shereff Friedman, LLP
3000 K Street, NW Suite 300
Washington, DC 20007-5116

Data Request: KMC Telecom III, Inc.
CLEC application (99-00211)

Dear Mr. Minsky:

By statute CLEC Applicants are required to demonstrate their financial ability to provide the services for which they seek authority to provide. This includes capital budgets, cash flows, and specific explanations of how the applicant will fund plant that it proposes to deploy. Because your application does not include the necessary financial information, it can not be processed at this time. Listed below is a request for information to complete your application. Once this information is received, your application will be complete and the TRA will evaluate your application.

In order to assist the TRA in reviewing your CLEC application, please review the following facts and submit the requested information by April 27, 1999.

- (1) The company states that it filed the financial qualifications of KMC Telecom III, Inc. under a separate seal. We have not received this information at the Tennessee Regulatory Authority. Please provide the financial statements of KMC Telecom III and KMC III Holdings, Inc.
- (2) Please provide a 3 year projected cash flow forecast for KMC Telecom III and KMC III Holdings, Inc.
- (3) The company states that it will provide facilities-based and resold local exchange and resold interexchange telecommunications services throughout the State of Tennessee. Please provide the following: (a) A detailed listing of cities where the network facilities will be located in Tennessee as well as projected deployment dates; (b) The capital budget for of the facilities to be deployed including a description of each facility; and (c) An explanation of how your company will fund the facilities you will deploy.
- (4) Please provide a Toll Dialing Parity Plan for KMC Telecom III, Inc.

- (5) Please provide notarized pre-filed testimony to support the application and any subsequent filings.
- (6) If your Company's CCN application is approved, please formally submit a tariff filing for KMC Telecom III, Inc.
- (7) Please provide a Y2K compliance plan.

If you have any questions or concerns, contact Darrell Whitis at (615) 741-2904, ext.132. Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Waddell", written in a cursive style.

David Waddell
Executive Secretary

C: Docket File